

from farming (inputted in the Application Processing Module of MRS), will remain active for 12 months from the date a complete application is received, unless withdrawn or disapproved, or unless the loan is closed.

(3) See paragraph (d) of this section for procedures for incomplete Farm Credit Programs applications.

(4) All applications which are withdrawn or rejected will be handled in accordance with §2033.7 of the Agency Instruction 2033-A. If notice has been received by the Agency that an adverse action is under investigation or in litigation, that application and all related material will be retained until final disposition of the matter.

(5) When an application has been approved and funds are not available, and the steps outlined in §1910.6(g) of this subpart have been taken, the following provisions apply:

(i) The County Supervisor will, during the 11th month following loan approval, notify the applicant that the application will expire 12 months from the date of loan approval.

(ii) If the applicant wants the application to remain active, the applicant must provide the County Office with a written request within 30 days, requesting that the application remain active.

(iii) The applications retained at the applicant's request will be extended for only one additional 12-month period.

(iv) If the applicant fails to respond to the County Supervisor's written request, the application will be withdrawn.

[53 FR 35671, Sept. 14, 1988, as amended at 55 FR 21525, May 25, 1990; 55 FR 29560, July 20, 1990; 55 FR 46188, Nov. 2, 1990; 56 FR 66959, Dec. 27, 1991; 57 FR 19523, May 7, 1992; 58 FR 226, Jan. 5, 1993; 58 FR 44746, Aug. 25, 1993; 58 FR 48283, Sept. 15, 1993; 58 FR 68719, Dec. 29, 1993; 58 FR 69195, Dec. 30, 1993; 60 FR 55122, Oct. 27, 1995; 61 FR 35920, July 9, 1996; 62 FR 9353, Mar. 3, 1997; 66 FR 1572, Jan. 9, 2001; 68 FR 7696, Feb. 18, 2003; 68 FR 62223, Nov. 3, 2003; 69 FR 30999, June 2, 2004]

§ 1910.5 Evaluating applications.

The following criteria will be considered in addition to the eligibility criteria in applicable program regulations.

(a) *Age of applicant.* When evaluating the application, the age of the appli-

cant will not be used as a consideration of eligibility (provided the applicant has reached the legal age of majority in the State, or has had the minority removed by court action) except when a specific age is being used to the advantage of the applicant (e.g. assistance under the 504 grant program).

(b) *Credit history.* Credit history will be a consideration to the extent that it is used in evaluating all applicants for similar types and amounts of credit. For instance, credit requirements for a female applicant will not differ from those for a male applicant.

(c) When the applicant, including any members of an entity applicant, caused the Agency a loss by receiving debt forgiveness, they are ineligible for assistance in accordance with applicable program eligibility regulations. If the debt forgiveness is cured by repayment of the Agency's loss, the Agency may still consider the debt forgiveness in determining the applicant's creditworthiness. The following circumstances do not automatically indicate an unacceptable credit history:

(1) Foreclosures, judgments, delinquent payments of the applicant which occurred more than 36 months before the application, if no recent similar situations have occurred, or Agency delinquencies that have been resolved through loan service programs as defined in §1951.906 of part 1951 of subpart S of this chapter.

(2) Isolated incidents of delinquent payments which do not represent a general pattern of unsatisfactory or slow payment.

(3) "No history" of credit transactions by the applicant.

(4) Recent foreclosure, judgment or delinquent payment when the applicant can satisfactorily demonstrate that:

(i) The circumstances causing any of the above were of a temporary nature and were beyond the applicant's control. Example: loss of job; delay or reduction in government benefits, or other loss of income; increased living expenses due to illness, death, etc.

(ii) The adverse action or delinquency was the result of a refusal to make full payment because of defective goods or services or as a result of some other justifiable dispute relating to the

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goods or services purchased or contracted for.

(5) Non-payment of a debt due to circumstances beyond the applicant's or borrower's control. However, non-payment of a debt due to circumstances within an applicant's or borrower's control may be used as an indication of unacceptable credit history, in accordance with paragraph (c)(1) of this section. The mere fact that an applicant or borrower filed bankruptcy will not be used as an indication of unacceptable credit history. The circumstances causing the nonpayment of debt, i.e., whether nonpayment was beyond the applicant's or borrower's control, however, are proper considerations.

(d) *Current/Past FmHA or its successor agency under Public Law 103–354 Loan History.* Current or previous delinquent FmHA or its successor agency under Public Law 103–354 loans, as determined by reviewing the Current/Past Debt Inquiry System or the Borrower Cross-Reference Inquiry System, will be used to help determine the credit history of an applicant.

(e) *Delinquency on a Federal debt.* The Department of Housing and Urban Development Credit Alert Interactive Voice Response System (CAIVRS) will be used to help determine if an applicant is delinquent on any Federal debt.

[53 FR 35671, Sept. 14, 1988, as amended at 55 FR 21525, May 25, 1990; 55 FR 46188, Nov. 2, 1990; 56 FR 10147, Mar. 11, 1991; 60 FR 55122, Oct. 27, 1995; 61 FR 1109, Jan. 16, 1996; 61 FR 2899, Jan. 30, 1996; 61 FR 35921, July 9, 1996; 62 FR 28618, May 27, 1997]

§§ 1910.6–1910.9 [Reserved]

§ 1910.10 Preference.

(a) *Veterans.* (1) Veteran's preference is given to any person applying for an RH, FO, SW, or OL loan who has been honorably discharged, including clemency discharges, or released from the active forces of the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard, and who served during a period of war, as defined in 38 U.S.C. 101(12).

(2) Veteran's preference will apply when:

(i) There is a shortage of funds.

(ii) Obligating forms are ready to be submitted to the Finance Office, and

(iii) There is more than one application having the same date.

(3) For Rural Housing applicants, veteran's preference will be extended to the spouses and children of deceased servicemen who died in service during one of the periods listed in paragraph (a)(1) of this section.

(b) *Farm Credit Programs (FCP) loans.* In addition to the veteran's preference, the preference set out in §1943.10 of subpart A of part 1943 of this chapter applies.

[53 FR 35671, Sept. 14, 1988, as amended at 61 FR 35922, July 9, 1996; 62 FR 9353, Mar. 3, 1997]

§ 1910.11 Special requirements.

(a) *Servicemen's Readjustment Act of 1944.* Section 512(a)(D) of the Servicemen's Readjustment Act of 1944, as amended, provides that an applicant for a direct housing loan from the Department of Veterans Affairs (VA) must be "unable to obtain a loan for such purposes from the Secretary of Agriculture under the Consolidated Farm and Rural Development Act, as amended, or the Housing Act of 1949, as amended." Department of Veterans Affairs Loan Guaranty Officers may, therefore, require VA loan applicants to apply to the agency for loan assistance.

(b) *Veterans determined ineligible by the Agency.* If the veteran is unable to obtain a loan, the County Supervisor will, upon request, furnish the applicant with a rejection letter to be presented to the Loan Guaranty Officer. The Loan Guaranty Officer may consult with the County Supervisor regarding the investigation made by the Agency of the veteran's application and the specific reasons for rejection.

[61 FR 35922, July 9, 1996]

§§ 1910.12–1910.49 [Reserved]

§ 1910.50 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget and have been assigned OMB control number 0575–0134. Public reporting burden for this collection of information is estimated to vary from 20 minutes to 2 hours per response including time for